



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

May 22, 2009

Mr. Rick Martinez
Emergency Operations Coordinator
Sacramento County
711 "G" Street, OES
Sacramento, California 95814

SUBJECT: COMPLIANCE REVIEW REPORT
FY 08 EMERGENCY MANAGEMENT PERFORMANCE GRANT
GRANT: 2008-09, FIPS #067-00000

Dear Mr. Martinez:

The California Emergency Management Agency (CalEMA) (formerly the Governor's Office of Emergency Services (OES)) conducted a compliance field review on April 1, 2009, for the referenced grant. The purpose of the review was to determine if your organization complied with applicable laws, regulations, guidelines and policies.

The above grant was reviewed for compliance with the administrative and fiscal requirements as outlined in the Office of Management and Budget Circulars (OMB) and the Code of Federal Regulations (CFR). Our scope included reviewing fiscal and accounting records for the grant, and your Request for Reimbursement for the period October 1, 2007, through June 30, 2008, and its supporting documentation. CalEMA met with Teresa Stahl and Tammy Randolph of the Sacramento County Emergency Operations Office (EOO) (the organization administering this grant), and examined its payroll records, timesheets, contract agreements, personnel duty statements, and training courses materials and attendance sheets. In general, the CalEMA monitors were pleased with Sacramento County EOO's documentation for this grant.

Executive Summary:

Grant Type:	FY 08 Emergency Management Performance Grant
Review Type:	Compliance Field Review
Scope:	Fiscal and Administrative
Review Period(s):	October 1, 2007 – June 30, 2008

Findings Summary:

1. Proper certification and/or verification regarding Suspension and Debarment was not obtained or documented on subaward.

Following are the detailed Findings resulting from the Compliance Field Review. Findings are discoveries that, within the context of a review process, represent operational deficiencies or errors, material program weaknesses or unacceptable program liabilities that could result in questioned grant costs, or collectively characterize a significant risk to program integrity.

FINDING(S)

Finding #1: Proper certification and/or verification regarding Suspension and Debarment was not obtained or documented on subaward.

Requirement:

44 CFR Part 13, Subpart C, Section 13.35 states, "*Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."*

44 CFR Part 17, Appendix B (6) allows for self-certification regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion by the inclusion of a clause in contracts. It states, "*The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled 'Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction,' [without modification], in all lower tier covered transactions and in all solicitations for lower tier covered transactions.*" The clause reads:

"Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

"(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

"(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal."

Observation:

There was no evidence that the Sacramento County EOO had checked the *Excluded Parties List System* (www.epls.gov) to ensure the contractor was not excluded from participation, nor did the contract include a separate "*Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions*" statement.

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Required Corrective Action:

A corrective action plan (CAP) must be submitted which describes by when and how the Sacramento County EOO will take steps to ensure that future subaward agreements funded by federal awards either: 1), incorporate the appropriate Suspension and Debarment clause as outlined in 44 CFR Part 17, Appendix B; or 2), have received verification through the Excluded Parties List System that contractors are not excluded from participation in the federal award.

ADVISORY RECOMMENDATION(S)

Following are additional observations and Advisory Recommendations resulting from the compliance review:

- For the period between October 1, 2007, and July 5, 2008, nine of 20 (45%) of the Assistant Emergency Operations Coordinator's timesheets reviewed were not signed and approved by her supervisor. 2 CFR 225, Appendix B (8) (h) (1) states, "*Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.*" In order to ensure that Sacramento County EOO has sufficient internal control to support a low assessed level of control risk for the grant, it is recommended that steps are taken to ensure that future employee timesheets are signed and approved by an appropriate senior official or supervisor.
- Although after review of supporting documents it became evident that Sacramento County EOO had sufficient in-kind contributions to meet the match requirement, it is recommended that staff take steps to ensure that future match amounts are clearly recorded and reviewed on a regular basis to ensure match requirements are being met. 44 CFR Part 13, Subpart C, Section 13.24 (b)(6) states, "*Records. Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors...*"

If the subrecipient desires to either challenge or disagree with any of the referenced Findings or Advisory Recommendations included in this report, the subrecipient must respond with their written comments to CalEMA, along with inclusive supporting documentation, to the address shown on the CalEMA letterhead, attention Local Assistance Monitoring Branch.

Since there are significant Findings included in this report, formal corrective action is required to ensure all issues are addressed in a timely manner. The attached document, "Subrecipient Corrective Action Procedures" provides detailed instructions for developing the CAP. The CAP should be submitted to CalEMA within 30 days from the date of this letter.

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You are encouraged to work with your assigned Regional Coordinator, Paul Calkins, to develop your CAP.

Thank you for the courtesy and cooperation you extended CalEMA in completing this review. If you have any questions about this letter or the enclosures, please contact Don MacMillan at (916) 845-8107, or don.macmillan@oes.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "MBaldwin", followed by a long horizontal flourish.

MICHAEL BALDWIN
BRANCH CHIEF

Enclosure

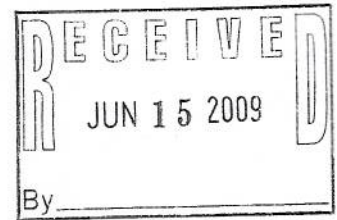
cc: Tami Randolph, Sacramento County Emergency Operations Office
Peggy Okabayashi, CalEMA Assistant Secretary
Yvonne Cantrell, CalEMA Grant Coordinator
Paul Calkins, Regional Coordinator, Inland Region
Subrecipient File



COUNTY OF SACRAMENTO

Office of Emergency Operations

3720 Dudley Bl • McClellan, CA 95652
Phone: (916) 874-4670 Fax: (916) 874-7080
Rick Martinez, Chief



June 8, 2009

Mr. Don MacMillan, Grant Monitor
Cal EMA, Grants Monitoring Unit
3650 Schriever Av
Mather, CA 95655

Re: Sacramento OES Corrective Action Plan (CAP) '08 EMPG Grant
FIPS # 67-00000 Review Period Oct 1, 2007 to June 30, 2008

Dear Don:


This letter is in response to the Compliance Review Report dated May 22, 2009, sent in follow up to the EMPG Monitoring you performed on April 11, 2009.

In your report, you noted one Finding which was that our office did not ensure "Proper Certification and/or verification regarding Suspension and Debarment..." This verification was missing on my role as a contractor to the County of Sacramento, reimbursed partially by the 2008 EMPG grant.

Corrective Action was taken on April 11, 2009, after you left our offices. My staff immediately checked the website for "Excluded Parties", printing out verification that I am not debarred, and placed this documentation in the '08 EMPG grant file with the other documentation. We appreciate the suggestion to include wording in our contracts placing the onus for providing proof on the contractors within our contracts. We will be looking into this option with our County Counsel.

Our office has regularly checked contractors against the "Excluded Parties" website for more than two years now. This was an oversight on the part of my staff and an aberration of our normal procedures. In future, we will be more careful to check all contractors before paying them and/or claiming them against federally awarded funding.

Sincerely,


Rick Martinez, Chief
Authorized Agent per Resolution



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July 9, 2009

Mr. Rick Martinez
Emergency Operations Coordinator
Sacramento County
711 "G" Street, OES
Sacramento, California 95814

SUBJECT: CORRECTIVE ACTION PLAN
FY 08 EMERGENCY MANAGEMENT PERFORMANCE GRANT
GRANT: 2008-09, FIPS #067-00000

Dear Mr. Martinez:

The California Emergency Management Agency (CalEMA) formerly the Governor's Office of Emergency Services (OES), has reviewed the Sacramento County's (County) corrective Action Plan (CAP) issued June 8, 2009 submitted in response to the CalEMA May 22, 2009 compliance review report of the above referenced grant.

The County's response indicates the County has taken appropriate action in ensuring that they do not contract with excluded or disbarred parties. CalEMA accepts the County's corrective action plan regarding this finding. With this letter CalEMA considers this finding closed.

Thank you for your diligence in addressing program deficiencies in a timely and effective manner.

Sincerely,

A handwritten signature in cursive script, appearing to read "Catherine Lewis".

CATHERINE LEWIS
ACTING BRANCH CHIEF

cc: Tami Randolph, Sacramento County Emergency Operations Office
Peggy Okabayashi, CalEMA Assistant Secretary
Yvonne Cantrell, CalEMA Grant Coordinator
Paul Calkins, Regional Coordinator, Inland Region
Subrecipient File